



## POSTAL SERVICE

### 39 CFR Part 121

#### Service Standards for Market-Dominant Mail Products

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** This final rule adds a service standard for Connect™ Local Mail to the set of service standards for First-Class Mail set forth in our regulations.

**DATES:** *Effective date:* January 22, 2023.

**FOR FURTHER INFORMATION CONTACT:** Andrew Pigott, 202-268-4031.

#### SUPPLEMENTARY INFORMATION:

##### I. Introduction.

On November 10, 2021, the Postal Service filed a notice in Docket No. MT2022-1 announcing its intent to conduct a market test of an experimental product denominated as USPS Connect™ Local Mail and demonstrated that the market test would comply with applicable legal requirements. The Postal Regulatory Commission found that the market test met the requirements of 39 U.S.C. 3641 and 39 CFR part 3045 and authorized the market test to proceed in Order No. 6080 on January 4, 2022.

The Postal Service initially introduced its test of USPS Connect™ Local Mail in Texas to align with its nationwide rollout of the corresponding packages product, USPS Connect™ Local. By the end of the second quarter, which ended March 31, 2022, USPS Connect™ Local Mail was offered as a market test product in 11 states. Another 16 states were added in the third quarter; 23 more were added in the fourth quarter. Once the initial phased national rollout was

complete, USPS Connect™ Local Mail was offered in all 50 states and the District of Columbia.

The Postal Service is now seeking to classify USPS Connect™ Local Mail as a permanent classification in the Mail Classification Schedule (MCS). The Postal Service has thus requested that the service be listed in the MCS under the First-Class Mail class in Postal Regulatory Commission Docket No. MC2023-12. Assuming the changes are adopted in accordance with the expected date of implementation of January 22, 2023, the Postal Service plans to add USPS Connect™ Local Mail as a price category within First-Class Mail Flats. USPS Connect™ Local Mail will provide customers same-day or next-day options for local delivery of documents. USPS Connect™ Local Mail requires local induction through dropoff at a participating Destination Delivery Unit (DDU), or carrier pick-up in line-of-travel to a participating DDU. Documents accepted by the Postal Service at a participating DDU by 7 a.m. will receive a same day service standard, while mailpieces received after 7 a.m. at a participating DDU or by carrier pick-up will receive a one day service standard (i.e., they will be eligible for delivery the following delivery day).

## **II. Explanation of Final Rule.**

The Postal Service's market-dominant service standards are contained in 39 CFR part 121. The revisions to 39 CFR part 121 appear at the end of this document. The following is a summary of the revisions.

### **A. Service Standards Generally**

Service standards contain two components: (1) a delivery day range within which mail in a given product is expected to be delivered; and (2) business rules that determine, within a product's applicable day range, the specific number of delivery days after acceptance of a mail piece by which a customer can expect

that piece to be delivered, based on the piece's point of entry into the mail stream and its delivery address.

Business rules are based on critical entry times (CETs). The CET is the latest time on a particular day that a mail piece can be entered into the postal network and still have its service standard calculated based on that day (this day is termed "day-zero"). In other words, if a piece is entered before the CET, its service standard is calculated from the day of entry, whereas if it is entered after the CET, its service standard is calculated from the following day. (If the following day is a Sunday or holiday, then the service standard is calculated from the next Postal Service delivery day.) For example, if the applicable CET is 5:00 p.m., and a letter is entered at 4:00 p.m. on a Tuesday, its service standard will be calculated from Tuesday, whereas if the letter is entered at 6:00 p.m. on a Tuesday, its service standard will be calculated from Wednesday. CETs are not contained in 39 CFR part 121, because they vary based on where mail is entered, the mail's level of preparation, and other factors.

## **B. USPS Connect™ Local Mail**

USPS Connect™ Local Mail will be offered as a price category under First-Class Mail Flats. It is intended for local document delivery. Customers will be able to deposit USPS Connect™ Local Mail items at participating destination delivery units (DDUs) or present them to mail carriers along their lines of travel to participating DDUs.

USPS Connect™ Local Mail will receive either a same-day or a 1-day (i.e., next-delivery day) service standard, depending on whether it is accepted at a participating DDU by the CET of 7:00 a.m. USPS Connect™ Local Mail accepted by the Postal Service at a participating DDU by the applicable CET will receive a same day service standard, while mailpieces received after applicable

CET at a participating DDU or by carrier pick-up will receive a one day service standard.

Payment for USPS Connect™ Local Mail will be offered via Click N Ship and by USPS API as well. Tracking will be offered to USPS Connect™ Local Mail customers using IMpb barcodes.

### **List of Subjects in 39 CFR Part 121**

Administrative practice and procedure, Postal Service.

Accordingly, for the reasons stated, the Postal Service adopts the following amendment to 39 CFR part 121:

## **PART 121 – SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS**

1. The authority citation for part 121 is revised to read as follows:

**Authority:** 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

2. Section 121.1 is amended by redesignating paragraphs (a) through (g) as paragraphs (b) through (h), respectively, and adding a new paragraph (a) to read as follows:

### **§ 121.1 First-Class Mail.**

(a) A same day service standard is applied to USPS Connect™ Local Mail pieces properly accepted at participating Destination Delivery Units before the day-zero Critical Entry Time (CET); a one day service standard is applied to USPS Connect™ Local Mail pieces accepted via carrier pick-up or properly accepted at participating Destination Delivery Units after the day-zero CET.

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3. Appendix A to part 121 is revised to read as follows:

### **Appendix A to Part 121—Tables Depicting Service Standard Day Ranges**

The following tables reflect the service standard day ranges resulting from the application of the business rules applicable to the market-dominant mail products referenced in §§ 121.1 through 121.4 (for purposes of this part, references to the contiguous states also include the District of Columbia):

Table 1. End-to-end service standard day ranges for mail originating and destinating within the contiguous 48 states and the District of Columbia.

**TABLE 1—CONTIGUOUS UNITED STATES**

<b>Mail class</b>	<b>End-to-end range (days)</b>
First-Class Mail*	1-5
Periodicals	3-9
USPS Marketing Mail	3-10
Package Services	2-8

\*Excluding USPS Connect™ Local Mail

Table 2. End-to-end service standard day ranges for mail originating and/or destinating in non-contiguous states and territories.

**TABLE 2—NON-CONTIGUOUS STATES AND TERRITORIES**

Mail class	End-to-end								
	Intra state/territory			To/from contiguous 48 states			To/from states of Alaska and Hawaii, and the territories of Guam, Puerto Rico (PR), American Samoa (AS), Northern Mariana Islands (MP), and U.S. Virgin Islands (USVI)		
	Alaska	Hawaii, Guam, MP, & AS	PR & USVI	Alaska	Hawaii, Guam, MP, & AS	PR & USVI	Alaska	Hawaii, Guam, MP, & AS	PR & USVI
First-Class Mail*	1-4	1-4	1-2	4-5	4-5	4-5	5	5	5
Periodicals	3-5	3-5	3	13-19	12-22	11-16	21-25	21-26	23-26
USPS Marketing Mail	3-5	3-5	3-4	14-20	13-23	12-17	23-26	23-27	24-27
Package Services	**2-4	2-4	2-3	12-18	11-21	10-15	21-26	20-26	20-24

\*Excluding USPS Connect™ Local Mail

\*\*Excluding bypass mail.

**Sarah Sullivan,**

*Attorney, Ethics and Legal Compliance.*

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